

**CENTRAL INTELLIGENCE AGENCY**

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# ECONOMIC RECONSTRUCTION IN MANCHURIA

Nine bureaus, including those for electricity, coal mining, machinery, nonferrous metals, gold mining, forestry, textiles, chemicals, and industries, have been set up under the Ministry of Industry by the Northeast Executive Committee to centralize control of the various state-owned enterprises. In addition, the An-shan Steel and Iron Company and the Pen-ch'i Coal and Iron Company have been placed under this ministry.

Hydroelectric- and thermoelectric-power production (not including small local plants) amounts to 200,000 kilowatts at present. The Electric Bureau with its six branch offices is making great efforts to bring the industry back to prewar levels to meet Manchuria's industrial needs.

Manchuria has 20 billion tons of coal reserves. North Manchurian mines have practically resumed normal production. South Manchurian mines, where international and civil strife took a far greater toll of production facilities, are recovering more slowly. The Coal Mining Bureau with its nine branch offices is operating 40 mines with a production goal for 1949 of 20 million tons.

The Machinery Bureau is making strenuous efforts to rebuild this important industry, and considerable equipment is being added.

The nonferrous industry is relatively new in Manchuria. The Japanese began its development during the war. The chief items are copper, lead, zinc, chrome, radium and magnesium. Many mines and refineries were destroyed after the war, while some had not yet been completed before that time. The Non-ferrous Metals Bureau is making surveys, opening new mines, and reconstructing former refineries in an endeavor to meet the economic needs of the area for these metals.

Several tens of thousands of ounces of gold were produced in 1948. Higher production is planned for 1949. The chief sources are North Manchuria and Jehol.

Manohuria's timber reserves are estimated at about 35 trillion cubic meters. At present there are 28 timber-producing areas with 27 mills em-

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playing a total of nearly 100,000 workers. The 1949 goal of 4 million cubic meters' production has already been exceeded.

In the textile industry 120,000 spindles and 2,600 looms are in operation throughout Manchuria. The addition of 110,000 spindles and 4,000 looms is planned for 1949. It is planned for the 16 mills in operation to produce 60,000 bales of yarn and 1,400,000 bolts of cloth during 1949.

The chemical industry is recovering. Electrolysis of common salt and manufacture of acids, fats and oils are going forward. Plans are being made to revive the synthetic petroleum industry.

Sixty factories under the direction of the Industries Bureau are producing cement, paper, rubber, etc. Projected paper production for 1949 is set for 18,000 tons.

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